

Wasatch Peak Academy

Board of Directors Meeting

Date: January 24, 2024

Time: 8:15AM

Location: 414 N Cutler Drive, North Salt Lake, UT 84054



Wasatch Peak Academy will provide a meaningful educational experience utilizing service-learning and Spanish emphasis instruction to inspire in students:

- ★ a genuine appreciation for community and country;
- ★ a willingness to embrace leadership opportunities;
- ★ a perpetual enthusiasm for learning; and
- ★ a standard of individual academic excellence.

AGENDA

CALL TO ORDER

PUBLIC COMMENT (Comments limited to three minutes each)

- 2024-2025 Fee Schedule and Fee Waiver Policy
- New Literacy Curriculum: Wonders, CLKA, Wit and Wisdom

PRESENTATIONS

- Eide Bailey Audit Presentation and Training

REPORTS

- Director's Report
- Budget Report

CONSENT ITEMS

- December 18, 2023, Board Meeting Minutes

VOTING AND DISCUSSION ITEMS

- PTIF Resolution
- Construction Update
- 2024-2025 School Year Calendar
- School LAND Trust Plan
- Policies to Rescind
 - Reuse and Disposal of Textbooks Policy
- Policies to Amend
 - Selection and Purchase of Instructional Materials policy

CALENDARING

- Next Board Meeting March 20, 2024
- Meetings for Construction RFP
- Annual Board Meeting June - Reschedule

ADJOURN

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call 801-444-9378 to make appropriate arrangements. One or more board members may participate electronically or telephonically pursuant to UCA 52-4-7.8.



2024-2025 Student Fee Schedule

The following student fees may be assessed to students of Wasatch Peak Academy as follows:

FEES FOR OPTIONAL AFTER-SCHOOL CLUBS, ACTIVITIES, AND SPORTS (for participating students in grades identified below)		
FEE DESCRIPTION	EXPENDITURES FUNDED BY FEE (SPEND PLAN)	TOTAL Quarterly FEE
Cup Stacking Club (grades K-6)	<ul style="list-style-type: none"> Materials and supplies (cups, shirt, competition fees, etc.) Staff stipends 	Up to \$50
Robotics Club (grades 2-6)	<ul style="list-style-type: none"> Materials and supplies (robots, iPad apps, etc.) Staff stipends 	Up to \$50
Builders (grades K-6)	<ul style="list-style-type: none"> Materials and supplies (i.e. Legos) Staff stipends 	Up to \$50
Other clubs as proposed by teachers & parents (K-6)	<ul style="list-style-type: none"> Materials and supplies Staff stipends 	Up to \$50

PER STUDENT (GRADES K-6) ANNUAL MAXIMUM FEE AMOUNT FOR SCHOOL YEAR: \$800.00

This amount reflects the total student fees any student in grades K-6 would be required to pay if the student participated in all activities for the year.

Notice to Parents: Your student may be eligible to have on or more of their fees waived. For information on fees and fee waivers, please contact an administrator at the school and/or review the school fees materials on the School’s website (School Fees Posters and Notices, Fee Waiver Policy, Fee Waiver Applications, Fee Waiver Decision and Appeal Form, etc.). If the parents of the student your student files a fee waiver request with the school and the request is denied, you may appeal the school’s decision.



Purpose

Wasatch Peak Academy (the "School") must abide by the Utah State Board of Education rules which direct the School's Board of Directors (the "Board") to implement a policy regarding student fees. The purpose of this policy is to provide educational opportunities for all students. This allows the School to establish a reasonable system of fees, while prohibiting practices that would exclude those unable to pay from participation in school-sponsored activities.

Policy

Under the direction of the Board, the School's principal (the "Principal") is authorized to administer this policy and is directed to do so fairly, objectively, and without delay, and in a manner that avoids stigma and unreasonable burdens on students or parents/guardians.

Definitions

"Co-curricular activity" means an activity, course, or program that:

- (a) is an extension of a curricular activity;
- (b) is included in an instructional plan and supervised or conducted by a teacher or educational professional;
- (c) is conducted outside of regular School hours;
- (d) is provided, sponsored, or supported by the School;
- (e) includes a required regular School day activity, course, or program.

"Curricular activity" means an activity, course, or program that is:

- (a) intended to deliver instruction;
- (b) provided, sponsored, or supported by the School; and
- (c) conducted only during School hours.

"Extracurricular activity"

- (a) means an activity, a course, or a program that is:
 - (i) not directly related to delivering instruction;
 - (ii) not a curricular activity or co-curricular activity; and
 - (iii) provided, sponsored, or supported by the School.
- (b) does not include a noncurricular club as defined in Section 53G-7-701.

"Fee" means something of monetary value requested or required by the School as a condition to a student's participation in an activity, class, or program provided,

sponsored, or supported by the School. This includes money or something of monetary value raised by a student or the student's family through fundraising.

“Instructional equipment”

- (a) means an activity-related, course-related, or program-related tool or instrument that:
 - (i) is required for a student to use as part of an activity, course, or program in a secondary school;
 - (ii) typically becomes the property of the student upon exiting the activity, course, or program, and
 - (iii) is subject to a fee waiver;
- (b) includes:
 - (i) shears or styling tools;
 - (ii) a band instrument;
 - (iii) a camera;
 - (iv) a stethoscope; or
 - (v) sports equipment, including a bat, mitt, or tennis racket.
- (c) does not include school equipment.

“Instructional supply” means a consumable or non-reusable supply that is necessary for a student to use as part of an activity, course, or program in a secondary school and includes:

- (a) prescriptive footwear;
- (b) brushes or other art supplies, including clay, pain, or art canvas;
- (c) wood for wood shop;
- (d) Legos for Lego robotics;
- (e) film; or
- (f) filament used for 3D printing.

“Maintenance of School equipment” means a cost, payment, or expenditure related to storing, repairing, or keeping School equipment in good working condition. It does not include the cost related to end-of-life replacement.

“Non-waivable charge” means a cost, payment, or expenditure that:

- (a) is a personal discretionary charge or purchase, including:
 - (i) a charge for insurance, unless the insurance is required for a student to participate in an activity, class, or program;
 - (ii) a charge for college credit related to the successful completion of:
 - (A) a concurrent enrollment class; or
 - (B) an advanced placement examination; or
 - (iii) except when requested or required by the School, a charge for a personal consumable item such as a yearbook, class ring, letterman jacket or sweater, or other similar item;

(b) is subject to sales tax as described in Utah State Tax Commission Publication 35, Sales Tax Information for Public and Private Elementary and Secondary Schools; or

(c) by Utah Code, federal law, or State Board of Education rule is designated not to be a fee, including:

(i) a school uniform as provided in Utah Code § 53G-7-801;

(ii) a school lunch; or

(iii) a charge for a replacement for damaged or lost School equipment or supplies.

"Provided, sponsored, or supported by the School"

(a) means an activity, class, program, fundraiser, club, camp, clinic, or other event that:

(i) is authorized by the School; or

(ii) satisfies at least one of the following conditions:

(A) the activity, class, program, fundraiser, club, camp, clinic, or other event is managed or supervised by the School, or a School employee in the employees School employment capacity;

(B) the activity, class, program, fundraiser, club, camp, clinic, or other event uses, more than inconsequentially, the School's facilities, equipment, or other School resources; or

(C) the activity, class, program, fundraising event, club, camp, clinic, or other event is supported or subsidized, more than inconsequentially, by public funds, including the School's activity funds or minimum school program dollars.

(b) does not include an activity, class, or program that meets the criteria of a noncurricular club as described in Title 53G, Chapter 7, Part 7, Student Clubs.

"Provision in lieu of fee waiver"

(a) means an alternative to fee payment or waiver of fee payment; and

(b) does not include a plan under which fees are paid in installments or under some other delayed payment arrangement.

"Requested or required by the School as a condition to a student's participation" means something of monetary value that is impliedly or explicitly mandated or necessary for a student, parent, or family to provide so that a student may:

(a) fully participate in school or in a School activity, class, or program;

(b) successfully complete a School class for the highest grade; or

(c) avoid a direct or indirect limitation on full participation in a School activity, class, or program, including limitations created by:

(i) peer pressure, shaming, stigmatizing, bullying, or the like; or

(ii) withholding or curtailing any privilege that is otherwise provided to any other student.

“School equipment” means a durable school-owned machine, equipment, or tool used by a student as part of an activity, course, or program in a secondary school and includes a saw or 3D printer. “School equipment” includes a saw or 3D printer.

"Something of monetary value"

(a) means a charge, expense, deposit, rental, fine, or payment, regardless of how the payment is termed, described, requested or required directly or indirectly, in the form of money, goods or services; and

(b) includes:

(i) charges or expenditures for a School field trip or activity trip, including related transportation, food, lodging, and admission charges;

(ii) payments made to a third party that provide a part of a School activity, class, or program;

(iii) classroom textbooks, supplies or materials;

(iv) charges or expenditures for school activity clothing; and

(v) a fine, except for a student fine specifically approved the School for:

(A) failing to return School property;

(B) losing, wasting, or damaging private or School property through intentional, careless, or irresponsible behavior; or

(C) improper use of School property, including a parking violation.

(c) does not include a payment or charge for damages, which may reasonably be attributed to normal wear and tear.

“Textbook”

(a) means instructional material necessary for participation in an activity, course, or program, regardless of the format of the material;

(b) includes:

(i) a hardcopy book or printed pages of instructional material, including a consumable workbook;

(ii) computer hardware, software, or digital content; and

(iii) the maintenance costs of School equipment.

(c) does not include instructional equipment or instructional supplies.

“Waiver” means a full release from the requirement of payment of a fee and from any provision in lieu of fee payment.

General School Fees Provisions

The School may only collect a fee for an activity, class, or program provided, sponsored, or supported by the School consistent with School policies and state law.

Beginning with the 2021-2022 school year:

(a) if the School imposes a fee, the fee shall be equal to or less than the expense incurred by the School in providing for a student the activity, course, or program for which the School imposes a fee; and

(b) the School may not impose an additional fee or increase a fee to supplant or subsidize another fee.

Beginning with the 2022-23 school year, the School may not sell textbooks or otherwise charge a fee for textbooks or the maintenance costs of School equipment as provided in Section 53G-7-602, except for a textbook used for a concurrent enrollment or advanced placement course.

All fees are subject to the fee waiver requirements of this policy.

Fees for Classes & Activities During the Regular School Day

Fees for Students in Kindergarten through Sixth Grade

No fee may be charged in kindergarten through sixth grade for materials, textbooks, supplies (except as provided below), or for any class or regular school day activity, including assemblies and field trips.

Elementary students cannot be required to provide their own student supplies. However, the School or teacher may provide to a student's parent or a suggested list of student supplies for use during the regular school day so that a parent or guardian may furnish on a voluntary basis student supplies for student use. The list provided to a student's parent or guardian must include and be preceded by the following language:

"NOTICE: THE ITEMS ON THIS LIST WILL BE USED DURING THE REGULAR SCHOOL DAY. THEY MAY BE BROUGHT FROM HOME ON A VOLUNTARY BASIS, OTHERWISE, THEY WILL BE FURNISHED BY THE SCHOOL."

The School may charge a fee to a student in grade six if all of the following are true:

- (a) the School has students in any of the grades seven through twelve;
- (b) the School follows a secondary model of delivering instruction to the School's grade six students; and
- (c) The School annually provides notice to parents that the School will collect fees from grade six students and that the fees are subject to waiver.

Fees for Optional Projects

The School may require students at any grade level to provide materials or pay for an additional discretionary project if the student chooses a project in lieu of, or in addition to a required classroom project. A student may not be required to select an additional project as a condition to enrolling, completing, or receiving the highest possible grade for a course. The School will avoid allowing high cost additional projects, particularly when authorizing an additional discretionary project results in pressure on a student by teachers or peers to also complete a similar high cost project.

Fees for Activities Outside of the Regular School Day

Fees may be charged in all grades for any School-sponsored activity that does not take place during the regular school day if participation in the activity is voluntary and does not affect the student's grade or ability to participate fully in any course taught during the regular school day. Fee waivers are available for such fees.

A fee related to a co-curricular or extracurricular activity may not exceed the maximum fee amounts for the co-curricular or extracurricular activity adopted by the Board, as provided below.

Activities that use the School facilities outside the regular school day but are not provided, sponsored, or supported by the School (i.e., programs sponsored by the parent organization and/or an outside organization) may charge for participation, and fee waivers are not available for these charges.

An activity, class, or program that is provided, sponsored, or supported by the School outside of the regular School day or School year calendar is subject to this policy and state law regardless of the time or season of the activity, class, or program.

Fee Schedule

The Board will approve a Fee Schedule at least once each year on or before April 1. The Fee Schedule will establish the maximum fee amount per student for each activity and the maximum total aggregate fee amount per student per school year. No fee may be charged or assessed in connection with an activity, class, or program provided, sponsored, or supported by the School, including for a curricular, co-curricular or extracurricular activity, unless the fee has been set and approved by the Board, is equal to or less than the established maximum fee amount for the activity, and is included in the approved Fee Schedule.

The School will encourage public participation in the development of the Fee Schedule and related policies.

Before approving the School's Fee Schedule, the School will provide an opportunity for the public to comment on the proposed Fee Schedule during a minimum of two public Board meetings. In addition to the standard notice of Board meetings under the Open and Public Meetings Act, the School will provide notice of these Board meetings using the same form of communication regularly used by the administration to communicate with parents.

After the Fee Schedule is adopted, the Board may amend the Fee Schedule using the same process.

Maximum Fee Amounts

In connection with establishing the Fee Schedule, the Board will establish a per student annual maximum fee amount that the School may charge a student for the student's participation in all courses, programs, and activities provided, sponsored, or supported by the School for the year. This is a maximum total aggregate fee amount per student per School year.

The Board may establish a reasonable number of activities, courses, or programs that will be covered by the annual maximum fee amount.

The amount of revenue raised by a student through an individual fundraiser for an activity, as well as the total per student amount expected to be received through required group fundraising for an activity, will be included as part of the maximum fee amount per student for the activity and maximum total aggregate fee amount per student.

Notice to Parents

The Principal will annually provide written notice of the School's Fee Schedule and Fee Waiver Policy to the parent or guardian of each student in the School by ensuring that a written copy of the School's Fee Schedule and Fee Waiver Policy is included with all registration materials provided to potential or continuing students each year.

The School will also post the following on its website each school year:

- (a) The School's Fee Schedule, including maximum fee amounts, and Fee Waiver Policy;
- (b) The School's fee waiver application;
- (c) The School's fee waiver decision and appeals form; and
- (d) The School's fee notice(s) for families.

Donations

The School may not request or accept a donation in lieu of a fee from a student or parent unless the activity, class, or program for which the donation is solicited will otherwise be fully funded by the School and receipt of the donation will not affect participation by an individual student.

A donation is a fee if a student or parent is required to make the donation as a condition to the student's participation in an activity, class, or program.

The School may solicit and accept a donation or contribution in accordance with the School's policies, including the Donation and Fundraising Policy, but all such requests must clearly state that donations and contributions by a student or parent are voluntary.

If the School solicits donations, the School: (a) shall solicit and handle donations in accordance with policies and procedures established by the School; and (b) may not place any undue burden on a student or family in relation to a donation.

Fee Collection

The School may pursue reasonable methods for obtaining payment for fees and for charges assessed in connection with a student losing or willfully damaging school property.

The School may not exclude students from school, an activity, a class, or a program that is provided, sponsored, or supported by the School during the regular school day; refuse to issue a course grade; or withhold official student records, including written or electronic grade reports, class schedules, diplomas, or transcripts, as a result of unpaid fees.

The School may withhold the official student records of a student responsible for lost or damaged School property consistent with Utah Code § 53G-8-212 until the student or the student's parent has paid for the damages, but may not withhold a student's records required for student enrollment or placement in a subsequent school.

A reasonable charge may be imposed by the School to cover the cost of duplicating, mailing, or transmitting transcripts and other school records. No charge may be imposed for duplicating, mailing, or transmitting copies of school records to an elementary or secondary school in which the student is enrolled or intends to enroll.

Consistent with Utah Code § 53G-6-604, the School will forward a certified copy of a transferring student's record to a new school within 30 days of the request, regardless of whether the student owes fees or fines to the School.

Students shall be given notice and an opportunity to pay fines prior to withholding issuance of official written grade reports, diplomas and transcripts. If the student and the student's parent or guardian are unable to pay for damages or if it is determined by the School in consultation with the student's parents that the student's interests would not be served if the parents were to pay for the damages, then the School may provide for a program of voluntary work for the student in lieu of the payment. A general breakage fee levied against all students in a class or school is not permitted.

Fee Refunds

Student fees are non-refundable.

Budgeting and Spending Revenue Collected Through Fees

The School will follow the general accounting standards described in Rule R277-113 for treatment of fee revenue.

Beginning with the 2020-2021 school year, the School will establish a spend plan for the revenue collected from each fee charged. The spend plan will (a) provide students, parents, and employees transparency by identifying a fee's funding uses; (b) identify the needs of the activity, course, or program for the fee being charged and include a list or description of the anticipated types of expenditures, for the current fiscal year or as carryover for use in a future fiscal year, funded by the fee charged.

School Fee Collections & Accounting Procedures

It is the responsibility of the Principal to ensure that all student fees collected are in compliance with the Fee Schedule and applicable financial policies and procedures.

Fees must be received and deposited in a timely manner.

Money may only be collected by staff authorized by the Principal. Students may not collect fees.

Beginning in the 2020-21 school year, the School may not use revenue collected through fees to offset the cost of fee waivers by requiring students and families who do not qualify for fee waivers to pay an increased fee amount to cover the costs of students and families who qualify for fee waivers. However, the School may notify students and families that the students and families may voluntarily pay an increased fee amount or provide a donation to cover the costs of other students and families.

Fee Waiver Provisions

To ensure that no student is denied the opportunity to participate in a class or activity that is provided, sponsored, or supported by the School because of an inability to pay a fee, the School provides fee waivers or other provisions in lieu of fee waivers. Fee waivers or other provisions in lieu of fee waivers will be available to any student whose parent cannot pay a fee.

All fees are subject to waiver.

Non-waivable charges are not subject to waiver.

Fee Waiver Administration

The Principal will administer this policy and will review and grant fee waiver requests. The process for obtaining waivers or pursuing alternatives will be administered in

accordance with this policy, fairly, objectively, and without delay, and in a manner that avoids stigma, embarrassment, undue attention, and unreasonable burdens on students and parents.

The School will not treat a student receiving a fee waiver or provision in lieu of a fee waiver differently from other students. The process for obtaining waivers or pursuing alternatives will create no visible indicators that could lead to identification of fee waiver applicants.

The process for obtaining waivers or pursuing alternatives will comply with the privacy requirements of The Family Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g (FERPA). The School may not identify a student on fee waiver to students, staff members, or other persons who do not need to know. As a general rule, teachers and coaches do not need to know which students receive fee waivers. Students may not assist in the fee waiver approval process.

Fee Waiver Eligibility

A student is eligible for a fee waiver if the School receives verification that:

- (a) In accordance with Utah Code § 53G-7-504(4), family income falls within levels established annually by the State Superintendent and published on the Utah State Board of Education website;
- (b) The student to whom the fee applies receives Supplemental Security Income (SSI). If a student receives SSI, the School may require a benefit verification letter from the Social Security Administration;
- (c) The family receives TANF or SNAP funding. If a student's family receives TANF or SNAP, the School may require the student's family to provide the School an electronic copy or screenshot of the student's family's eligibility determination or eligibility status covering the period for which the fee waiver is sought from the Utah Department of Workforce Services; or
- (d) The student is in foster care through the Division of Child and Family Services or is in state custody. If a student is in state custody or foster care, the School may rely on the youth in care required intake form or school enrollment letter provided by a caseworker from the Utah Division of Child and Family Services or the Utah Juvenile Justice Department.

The School will not maintain copies of any documentation provided to verify eligibility for a fee waiver.

The School will not subject a family to unreasonable demands for re-qualification.

The School may grant a fee waiver to a student, on a case by case basis, who does not qualify for a fee waiver under the foregoing provisions but who, because of extenuating circumstances, is not reasonably capable of paying the fee.

The School may charge a proportional share of a fee or a reduced fee if circumstances change for a student or family so that fee waiver eligibility no longer exists.

The School may retroactively waive fees if eligibility can be determined to exist before the date of the fee waiver application.

Fee Waiver Approval Process

The Principal will inform patrons of the process for obtaining waivers and will provide a copy of the standard fee waiver application on the School's website and in registration materials each year.

The Principal will review fee waiver applications within five (5) school days of receipt. If the School denies a request for a fee waiver, the School will provide the decision to deny a waiver in writing and will provide notice of the procedure for appeal in the form approved by the Utah State Board of Education.

Any requirement that a student pay a fee will be suspended during any period in which the student's eligibility for a waiver is being determined or during the time a denial of waiver is being appealed.

Each year the School will maintain documentation regarding the number of School students who were given fee waivers, the number of School students who worked in lieu of fee waivers, the number of School students who were denied fee waivers, the total dollar value of student fees waived by the School, and the total dollar amount of all fees charged to students at the School, as this information may be requested by the Utah State Board of Education as part of its monitoring of the School's school fees practices.

Appeal Process

Denial of eligibility for a waiver may be appealed in writing to the Principal within ten (10) school days of receiving notice of denial. The School shall contact the parent within two (2) weeks after receiving the appeal and schedule a meeting with the Principal to discuss the parent's concerns. If, after meeting with the Principal, the waiver is still denied, the parent may appeal, in writing, within ten (10) school days of receiving notice of denial to the Board.

In order to protect privacy and confidentiality, the School will not retain information or documentation provided to verify eligibility for fee waivers.

Alternatives to Fees and Fee Waivers

The School may allow a student to perform service or another approved task (as described in Utah Code § 53G-7-504(2)) in lieu of paying a fee or, in the case of an eligible student, in lieu receiving a fee waiver, but such alternatives may not be required.

If the School allows an alternative to satisfy a fee requirement, the Principal will explore with the interested student and his or her parent/guardian the alternatives available for satisfying the fee requirement, and parents will be given the opportunity to review proposed alternatives to fees and fee waivers. However, if a student is eligible for a waiver, textbook fees must be waived, and no alternative in lieu of a fee waiver is permissible for such fees.

The School may allow a student to perform service in lieu of paying a fee or receiving a fee waiver if: (a) the School establishes a service policy or procedure that ensure that a service assignment is appropriate to the age, physical condition, and maturity of the student; (b) the School's service policy or procedure is consistent with state and federal laws, including Section 53G-7-504 regarding the waiver of fees and the federal Fair Labor Standards Act, 29 U.S.C. 201; (c) the service can be performed within a reasonable period of time; and (d) the service is at least equal to the minimum wage for each hour of service.

A student who performs service may not be treated differently than other students who pay a fee.

The service may not create an unreasonable burden for a student or parent and may not be of such a nature as to demean or stigmatize the student.

The School will transfer the student's service credit to another LEA upon request of the student.

The School may make an installment payment plan available for the payment of a fee. Such a payment plan may not be required in lieu of a fee waiver.

Annual Review, Approval, and Training

The Board will review and approve this policy annually.

The School will develop a plan for at least annual training of School employees on fee-related policies specific to each employee's job functions.



October 23, 2023

To the Board of Directors
Wasatch Peak Academy
North Salt Lake, Utah

We have audited the financial statements of Wasatch Peak Academy as of and for the year ended June 30, 2023, and have issued our report thereon dated October 23, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated June 15, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Wasatch Peak Academy solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 23, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Wasatch Peak Academy is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgment.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 23, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Wasatch Peak Academy, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Wasatch Peak Academy's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Wasatch Peak Academy and is not intended to be, and should not be, used by anyone other than these specified parties.



Ogden, Utah



Financial Statements
June 30, 2023

Wasatch Peak Academy

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Independent Auditor's Report

The Board of Directors
Wasatch Peak Academy
North Salt Lake, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Wasatch Peak Academy (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the School, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenue, expenditures, and changes in fund balance – budget and actual – general fund and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Eide Bailly LLP

Ogden, Utah
October 23, 2023

The discussion and analysis of the Wasatch Peak Academy's (the School) financial performance provides an overall review of financial activities for the fiscal year.

FINANCIAL HIGHLIGHTS

The School learned many valuable lessons during the pandemic regarding distance learning, and is ready to deploy distance learning modules in the future should it be necessary. Through the use of federal and state funds, each student has a device, and teachers have the necessary technology and software to teach effectively in person or online. The School's board and administration carefully budgeted for and managed the School's finances throughout the year. The State of Utah continues to invest in education and provided a strong and substantial increase of 6% to the Weighted Pupil Unit. The School continued to manage their COVID-19 funds wisely to help address learning gaps, retain qualified staff, and manage and mitigate other effects created by the COVID-19 global pandemic. Most of the COVID-19 funding has been utilized. The remainder will be utilized during fiscal year 2024. The School's enrollment remains steady and strong. The School made some capital improvements during the year that included paint, AC Units, carpet, roofing, more efficient lighting, and a cafeteria dishwasher. The School also experienced positive financial results, and despite capital improvements, teacher and staff raises, and the impact of inflation, the School's net position increased 48%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the School's basic financial statements. These financial statements include three primary components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The basic financial statements consist of two kinds of statements that present different views of the School's financial activities.

Government-Wide Financial Statements (GWFS)

The GWFS (i.e., Statement of Net Position and Statement of Activities) provides readers with a broad overview of the School's finances. The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position provides information on all of the assets and liabilities of the School, with the difference between the two providing the net position. Increases or decreases in the net position may indicate whether the financial position of the School is improving or deteriorating, respectively.

The Statement of Activities reflects changes in net position during the fiscal year. Changes in net position are reported using the accrual basis of accounting, similar to that used by private-sector companies. Accrual basis accounting takes into account all current year related revenue and expenditures, regardless of when cash is received or paid.

The GWFS presents an aggregate view of the School's finances and contains useful long-term information as well as information for the just-completed fiscal year.

To assess the overall financial condition of the School, additional non-financial factors, such as changes in the condition of school buildings and other facilities, should be considered.

In the GWFS, the School's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation, and food services. Most of these activities are supported by the State of Utah Minimum School Program. The GWFS can be found on pages 9-10 of this report.

Fund Financial Statements

Funds are accounting devices the School uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Fund financial statements focus on individual parts of the School. Fund statements generally report operations in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the School as a whole.

The School establishes other funds, as necessary, to control and manage money for particular purposes or to show that it is properly using certain revenue.

Governmental Funds

Governmental funds account for nearly the same functions as the governmental activities. However, unlike the GWFS, governmental funds focus on near-term inflows and outflows as well as the balances left at year-end that are available for funding future basic services.

It is useful to compare information found in the governmental funds with that of the governmental activities. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions.

The basic governmental funds financial statements can be found on pages 11-14 of this report.

Notes

The notes to the financial statements starting on page 15 provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the School's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the School's budget data for the year.

Government-Wide Financial Analysis

Net position may serve as a useful indicator of an organization's financial position. The improvement in net position from year to year is attributable to new state funding sources, COVID-19 related funding, a robust 6% increase in the Weighted Pupil Unit funding, and sound fiscal management.

	2023	2022
Assets		
Current and other assets	\$ 3,366,154	\$ 2,690,042
Capital assets	4,047,859	3,865,701
Total assets	\$ 7,414,013	\$ 6,555,743
Liabilities		
Current and other liabilities	\$ 276,904	\$ 200,993
Long-term liabilities	4,324,496	4,442,798
Total liabilities	4,601,400	4,643,791
Net Position		
Net investment in capital assets	(276,637)	(577,097)
Restricted	1,568,350	1,060,470
Unrestricted	1,520,900	1,428,579
Total net position	\$ 2,812,613	\$ 1,911,952

A portion of the School's net position is the investments in capital assets (i.e., building, land, furniture and equipment, computers, and capital improvements) and the related debt used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending. The negative net investment in capital assets is due to cumulative depreciation of the respective capital assets exceeding the cumulative principal repayments on the related long-term debt. Restricted net position is restricted for debt service and program restrictions. The remaining portion of the School's net position is unrestricted.

Governmental Activities

Changes in Net Position – The table below shows the changes in net position for the fiscal years 2023 and 2022. The School relies on state and federal support for 96% of its governmental activities for the year ended June 30, 2023. The School had total revenue of \$4,829,389 and total expenses of \$3,928,728, during the year ended June 30, 2023. The School had an increase in net position of \$900,661 during the year ended June 30, 2023. The increase in net position was primarily due to new state funding sources, COVID-19 related funding, a robust 6% increase in the Weighted Pupil Unit funding, and sound fiscal management.

Wasatch Peak Academy
Management's Discussion and Analysis
June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenue			
Program revenue			
State and federal aid	\$ 4,640,805	\$ 4,103,348	\$ 537,457
Charges for services	68,553	3,731	64,822
Operating grants and contributions	26,276	19,430	6,846
Other local revenue	93,755	39,506	54,249
	<u>4,829,389</u>	<u>4,166,015</u>	<u>663,374</u>
Expenses			
Instructional	2,138,276	1,970,061	168,215
Support services			
Students	200,611	206,282	(5,671)
Staff assistance	67,978	101,084	(33,106)
School administration	336,342	334,058	2,284
Central services	320,356	264,189	56,167
Operation and maintenance of facilities	431,780	483,046	(51,266)
Transportation	950	1,068	(118)
School food services	187,872	170,330	17,542
Facilities acquisition and construction services	645	-	645
Interest and other costs	243,918	235,577	8,341
	<u>3,928,728</u>	<u>3,765,695</u>	<u>163,033</u>
Change in Net Position	<u>\$ 900,661</u>	<u>\$ 400,320</u>	<u>\$ 500,341</u>

Governmental Funds

The focus of the School's governmental funds is to provide balances of spendable resources and to provide data on near-term inflows and outflows.

General Fund – The general fund is the general operating fund for the School. At the end of the current fiscal year, the general fund balance is \$3,133,979, which is an increase of \$599,201 from the prior year. There were several factors that played a role in the increase of the general fund balance.

- There was an increase in the Weighted Pupil Unit of 6% along with a modest increase in students.
- The School was able to continue drawing on COVID-19 related funding sources to help them cope with the mental, emotional, and physical costs related to COVID-19.
- The board and administration were conscientious and made fiscally responsible decisions.
- A favorable increase in interest rates had a positive impact on PTIF interest income.

Expenditures for general School purposes totaled \$4,230,188, which is an increase of \$490,477 from the prior year. The increase in expenditures over the prior year was due in large part to an increase in reimbursable federal funding used to mitigate the effects of COVID-19. Additionally, the School increased salaries to remain competitive and retain talented teachers and staff members, which in turn increased payroll tax and benefit costs. Lastly, the School made several improvements to its facility as previously discussed.

General fund salaries totaled \$2,054,128, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental, and vision added \$584,906 to arrive at 62% of the School's general fund expenditures.

Budgetary Highlights

The School adopts an original budget in June for the subsequent year.

Actual expenditures in the general fund were \$183,512 less than the amended budget. The amended budget was prepared with a conservative approach. There were some anticipated maintenance and repair expenditures that did not take place until the subsequent year for logistical reasons. The School had supply and furniture orders delayed due to supply chain issues.

Capital Assets

The School has invested \$5,378,570 in a wide range of capital assets, but primarily in land, capital improvements, and a building. The total accumulated depreciation on these assets amounts to \$1,330,711. There were \$393,566 of capital asset additions during fiscal year 2023.

Additional information regarding the School's capital assets can be found in Note 3 to the basic financial statements.

Long-Term Debt

Long-term debt consists of outstanding bonds, net of unamortized discount, with the finance authority totaling \$4,324,496, with rates ranging from 3.00% to 5.00%. The bond matures in October 2043. The School is required to meet certain covenants, including debt coverage and cash available, as defined by their bonds payable agreement. See Note 4 to the financial statements for more information about long-term debt.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School at 414 North Cutler Drive, North Salt Lake, Utah 84054, or by phone at 801-936-3066.

Wasatch Peak Academy
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and investments	\$ 2,181,926
Restricted cash and investments	1,160,715
State receivables	11,215
Federal receivables	8,807
Other receivables	3,491
Capital assets (not subject to depreciation)	525,844
Capital assets (net of accumulated depreciation)	3,522,015
Total assets	7,414,013
Liabilities	
Accounts payable	51,819
Accrued liabilities	180,356
Accrued interest	44,729
Long-term liabilities	
Due within one year - bonds payable	125,000
Due in more than one year - bonds payable	4,199,496
Total liabilities	4,601,400
Net Position	
Net investment in capital assets	(276,637)
Restricted for	
Special education	8,865
School lunch program	356,407
Suicide prevention	1,000
Professional learning	7,227
Other state	4,000
Educator professional time	30,136
Debt service	1,160,715
Unrestricted	1,520,900
Total net position	\$ 2,812,613

Wasatch Peak Academy
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Program Revenue			Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<i>Governmental activities</i>				
Instructional	\$ 2,138,276	\$ -	\$ 2,671,844	\$ 533,568
Support services				
Students	200,611	-	-	(200,611)
Staff assistance	67,978	-	-	(67,978)
School administration	336,342	-	-	(336,342)
Central services	320,356	-	-	(320,356)
Operation and maintenance of facilities	431,780	-	-	(431,780)
Transportation	950	-	-	(950)
School food services	187,872	68,553	-	(119,319)
Facilities acquisition and construction services	645	-	-	(645)
Interest and other costs	243,918	-	-	(243,918)
Total Governmental Activities	\$ 3,928,728	\$ 68,553	\$ 2,671,844	(1,188,331)
General Revenue				
Grants and contributions not restricted to specific programs				
				1,995,237
				41,961
				48,122
				3,672
				<u>2,088,992</u>
				900,661
				<u>1,911,952</u>
				<u>\$ 2,812,613</u>

Wasatch Peak Academy
Balance Sheet – Governmental Funds
June 30, 2023

Assets

Cash and investments	\$ 2,181,926
Restricted cash and investments	1,160,715
State receivables	11,215
Federal receivables	8,807
Other receivables	3,491
	<u>3,491</u>

Total assets	\$ 3,366,154
	<u><u>3,366,154</u></u>

Liabilities and Fund Balance

Liabilities

Accounts payable	\$ 51,819
Accrued liabilities	180,356
	<u>180,356</u>

Total liabilities	232,175
	<u><u>232,175</u></u>

Fund Balance

Restricted for	
Special education	8,865
School lunch program	356,407
Suicide prevention	1,000
Professional learning	7,227
Other state	4,000
Educator professional time	30,136
Debt service	1,160,715
Unassigned	1,565,629
	<u>1,565,629</u>

Total fund balance	3,133,979
	<u><u>3,133,979</u></u>

	\$ 3,366,154
	<u><u>3,366,154</u></u>

Wasatch Peak Academy
 Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2023

Total Fund Balance - Governmental Funds \$ 3,133,979

The cost of capital assets (land, building, furniture and equipment, computers, and capital improvements) purchased or constructed is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the School as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in government funds.

Costs of capital assets	5,378,570	
Depreciation expense to date	<u>(1,330,711)</u>	
		4,047,859

Long-term liabilities applicable to governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year end are:

Long-term liabilities		
Bonds payable	(4,345,000)	
Bond discount	20,504	
Accrued interest	<u>(44,729)</u>	
		<u>(4,369,225)</u>

Net Position \$ 2,812,613

Wasatch Peak Academy
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2023

Revenue	
State aid	\$ 4,234,966
Federal aid	405,839
Earnings on investments	48,122
School fees	5,510
School lunch sales	68,553
Other local sources	66,399
Total revenue	4,829,389
Expenditures	
Instructional	2,138,276
Support services	
Students	200,611
Staff assistance	67,978
School administration	336,342
Central services	320,356
Operation and maintenance of facilities	220,371
Transportation	950
Facilities acquisition and construction services	645
Total support services	1,147,253
Non instructional	
School food services program	187,872
Capital outlay	393,566
Total non instructional	581,438
Debt service	
Principal	120,000
Interest and other costs	243,221
Total debt service	363,221
Total expenditures	4,230,188
Net Change in Fund Balance	599,201
Fund Balance, Beginning of Year	2,534,778
Fund Balance, End of Year	\$ 3,133,979

Wasatch Peak Academy
 Reconciliation of Governmental Funds Statement of Revenue, Expenditures,
 and Changes in Fund Balance to the Statement of Activities
 Year Ended June 30, 2023

Total Net Change in Fund Balance - Governmental Funds \$ 599,201

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the fiscal year:

Capital outlay	393,566	
Depreciation expense	(211,408)	
	182,158	182,158

The governmental funds report repayment of long-term liability payments as expenditures and the effect of premiums/discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental activities when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of bonds and related items is as follows:

Repayment of bonds payable principal	120,000	
Amortization of bond discount	(1,698)	
Change in accrued interest	1,000	
	119,302	119,302

Change in Net Position of Governmental Activities \$ 900,661

Note 1 - Summary of Significant Accounting Policies

Wasatch Peak Academy (the School) was formed in 2009 and is a nonprofit institution, organized under the nonprofit corporation laws of the State of Utah. The School was organized for the purpose of providing students with a safe, challenging, and individualized learning environment that will help them achieve their potential and become confident, competent, productive, and responsible young adults who possess the knowledge, skills, attitude, and character necessary to succeed in high school, post-secondary education, and ultimately in employment and community settings. The School provides the following activities: education, encompassing instruction, student and staff support activities, and facilities maintenance and operation. Supporting services include general and administrative services which are overall entity-related administrative costs.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are described below.

Financial Reporting Entity

The School follows Governmental Accounting Standards Board (GASB) in determining the reporting entity and component units. The financial reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds, and agencies of the primary government whose budgets are controlled or whose boards are appointed by the School's Board of Directors (the Board).

The accounts of the School are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the School are classified as governmental funds. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the School's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund is considered a major fund. Governmental funds include:

General fund – the primary operating fund of the School accounts for all financial resources, except those required to be accounted for in other funds.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government as a whole.

The statement of net position and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenue, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* in the GWFS.

Program Revenue

Program revenue included in the statement of activities derive directly from the program itself or from parties outside the School's citizenry, as a whole; program revenue reduces the cost of the function to be financed from the School's general revenue. Program revenue includes charges to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

Fund Financial Statements

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual, defined as measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers all revenue available if they are collected within 90 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. With this measurement focus, only current assets and current liabilities and deferred outflows and inflows of resources, as applicable, are generally included on the balance sheet. Operating statements of these funds present increases and decreases in fund balance.

The governmental funds use the following practices in recording revenue and expenditures:

Revenue

Entitlements and shared revenue (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available (collected within 90 days of year-end) when cash is received by the School and are recognized as revenue at that time. The School's period of availability is 90 days subsequent to year end.

Expenditures

Salaries are recorded as incurred. The School has employees who do not work year-round, but receive salary payments on a monthly basis; salaries earned, but unpaid, have been accrued as of June 30, 2023.

Restricted Cash and Investments

Cash and investments restricted for debt service is cash and investments set aside for bonds payable reserve requirements.

Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables

All receivables are shown net of any allowance for uncollectible amounts. No allowances for uncollectible items have been recorded as of June 30, 2023.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated acquisition value at the date of donation. Estimated useful lives are management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Building	40 years
Furniture and equipment	7 years
Computers	5 years
Capital improvements	20 years

The School's capitalization threshold is \$1,500. The cost of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Long-Term Liabilities

For government-wide reporting, material premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest method. Debt is reported net of the applicable premium or discount. Issuance costs are expensed as incurred.

For fund financial reporting, premiums and discounts, as well as issuance costs are recognized in the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

It is the School's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance of Fund Financial Statements

The governmental funds financial statements present fund balance based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental funds financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School has historically shown prepaids as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the general obligations and are restricted through debt covenants.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action by the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned: This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or by the Board delegating this responsibility to the Principal or his designee through the budgetary process.

Unassigned: This classification includes the residual fund balance for the general fund and the amount established for minimum funding.

The School would typically use restricted fund balances first, followed by committed resources, and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Grants and Other Intergovernmental Revenue

Federal and state reimbursement-type grants are recorded as intergovernmental revenue when the related expenditures/expenses are incurred and, in the governmental funds, when the revenue meets the availability criterion.

Note 2 - Cash and Investments

At June 30, 2023, the School’s cash and investments consisted of the following:

Cash			
Insured		\$ 250,000	
Uninsured and not collateralized		<u>1,264,711</u>	
Total bank balance of deposits		<u>\$ 1,514,711</u>	
	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
Investments			
PTIF	Unrated	<u>\$ 1,827,930</u>	Less than 1 year
Total cash and investments		<u>\$ 3,342,641</u>	

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (the Act) that relate to the deposit and investment of public funds.

The School follows the requirements of the Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of School funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Act defines the types of securities authorized as appropriate investments for the School’s funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the School to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the state; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on a fair value basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The School measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The investments consist only of PTIF funds which are classified as Level 2. The PTIF funds use the application of the June 30, 2023, fair value as calculated by the Utah State Treasurer, to the School’s average daily balance in the Fund. The School currently has no assets that qualify for Level 1 or 3 investments. The following table illustrates the investments by the appropriate levels for the School:

	<u>Total</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
June 30, 2023				
PTIF	\$ 1,827,930	\$ -	\$ 1,827,930	\$ -

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The School's policy for managing custodial credit risk is to adhere to the Act. The Act requires all deposits of the School to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School's policy for reducing its exposure to credit risk is to comply with the Act, as previously discussed.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. The School's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the state to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

Note 3 - Capital Assets

A summary of activity in the capital assets is as follows:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
Governmental activities				
Capital assets, not subject to depreciation				
Land	\$ 525,844	\$ -	\$ -	\$ 525,844
Capital assets being depreciated				
Building	4,034,156	-	-	4,034,156
Furniture and equipment	125,774	26,728	-	152,502
Computers	14,519	78,358	-	92,877
Capital improvements	284,711	288,480	-	573,191
Total capital assets being depreciated	<u>4,459,160</u>	<u>393,566</u>	<u>-</u>	<u>4,852,726</u>
Less accumulated depreciation for				
Building	(923,642)	(103,440)	-	(1,027,082)
Furniture and equipment	(79,582)	(21,778)	-	(101,360)
Computers	(8,712)	(13,770)	-	(22,482)
Capital improvements	(107,367)	(72,420)	-	(179,787)
Total accumulated depreciation	<u>(1,119,303)</u>	<u>(211,408)</u>	<u>-</u>	<u>(1,330,711)</u>
Total capital assets, subject to depreciation	<u>3,339,857</u>	<u>182,158</u>	<u>-</u>	<u>3,522,015</u>
Total capital assets, net	<u>\$ 3,865,701</u>	<u>\$ 182,158</u>	<u>\$ -</u>	<u>\$ 4,047,859</u>

Depreciation expense was charged to operation and maintenance of facilities function of the School.

Note 4 - Long-Term Liabilities

A summary of activity for the long-term liabilities is as follows:

	Balance at June 30, 2022	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
Bonds payable	\$ 4,465,000	\$ -	\$ (120,000)	\$ 4,345,000	\$ 125,000
Bond discount	(22,202)	-	1,698	(20,504)	-
	<u>\$ 4,442,798</u>	<u>\$ -</u>	<u>\$ (118,302)</u>	<u>\$ 4,324,496</u>	<u>\$ 125,000</u>

Long-term liabilities as of June 30, 2023, consist of the following:

Series 2013 Bonds have rates between 3.00% and 5.00% and were issued during fiscal 2014 for \$5,305,000. Variable semi-annual payments of principal and interest are required through October 2043. The bonds were sold at a discount which is being amortized using the effective interest rate method over the life of the bonds. The proceeds were used to purchase a school building.

	\$ 4,345,000
Bond discount, net	<u>(20,504)</u>
	<u>\$ 4,324,496</u>

The annual requirements to pay principal and interest on the outstanding long-term liabilities is as follows:

Years Ending	Principal	Interest	Total
2024	\$ 125,000	\$ 211,367	\$ 336,367
2025	130,000	206,233	336,233
2026	135,000	200,000	335,000
2027	140,000	193,083	333,083
2028	145,000	185,917	330,917
2029-2033	860,000	807,083	1,667,083
2034-2038	1,100,000	560,833	1,660,833
2039-2043	1,390,000	248,917	1,638,917
2044	320,000	5,333	325,333
Total	<u>\$ 4,345,000</u>	<u>\$ 2,618,766</u>	<u>\$ 6,963,766</u>

Note 5 - Concentrations

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2023, this funding source accounted for approximately 96% of all revenue.

Note 6 - Benefit Plan

The School has a defined contribution retirement plan covering all full-time, salaried employees. The plan is administered by Helpside, an outsourcing company that the School has contracted with to perform its payroll and retirement functions. Eligible employees may contribute into an account at their option and discretion. The School matches up to 100% of employee contributions that do not exceed 4% of the employee's salary. For the year ended June 30, 2023, the School matched \$57,892.



Required Supplementary Information
June 30, 2023

Wasatch Peak Academy

Wasatch Peak Academy

Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenue				
State aid	\$ 3,948,881	\$ 4,229,672	\$ 4,234,966	\$ 5,294
Federal aid	382,400	317,851	405,839	87,988
Earnings on investments	6,500	47,000	48,122	1,122
School fees	5,000	5,410	5,510	100
School lunch sales	65,000	58,551	68,553	10,002
Other local sources	29,500	41,731	66,399	24,668
Total revenue	4,437,281	4,700,215	4,829,389	129,174
Expenditures				
Instructional	2,318,316	2,252,696	2,138,276	114,420
Support services				
Students	288,713	290,544	200,611	89,933
Staff assistance	42,040	41,141	67,978	(26,837)
School administration	256,140	280,652	336,342	(55,690)
Central services	313,200	346,500	320,356	26,144
Operation and maintenance of facilities	418,200	220,546	220,371	175
Transportation	3,000	-	950	(950)
Facilities acquisition and construction services	25,000	40,000	645	39,355
Total support services	1,346,293	1,219,383	1,147,253	72,130
Non-instructional				
School food services program	157,474	210,955	187,872	23,083
Capital outlay	-	393,566	393,566	-
Total non-instructional	157,474	604,521	581,438	23,083
Debt service				
Principal	120,000	120,000	120,000	-
Interest and other costs	219,500	217,100	243,221	(26,121)
Total debt service	339,500	337,100	363,221	(26,121)
Total expenditures	4,161,583	4,413,700	4,230,188	183,512
Net Change in Fund Balance	\$ 275,698	\$ 286,515	\$ 599,201	\$ 312,686

Note 1 - Basis of Budgeting

The School follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The School's Principal is appointed as the budget officer. Before June 1 of each year, the budget officer shall prepare a tentative budget, with supporting documentation, to be submitted to the Board.
2. The tentative budget and supporting documents shall include the following items:
 - a. The revenue and expenditures of the preceding fiscal year
 - b. The estimated revenue and expenditures of the current fiscal year
 - c. A detailed estimate of the essential expenditures for all the purposes for the next succeeding fiscal year, and
 - d. The estimated financial condition of the School at the close of the fiscal year
3. The tentative budget shall be filed with the School's Principal for public inspection at least 15 days before the date of the tentative budget's proposed adoption by the Board.
4. Before June 30 of each year, the Board will adopt a budget for the next fiscal year.
5. By the sooner of July 15 or 30 days of adopting a budget, the Board will file a copy of the adopted budget with the state auditor and the State Board of Education.



Compliance Reports
June 30, 2023

Wasatch Peak Academy



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Wasatch Peak Academy
North Salt Lake, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Wasatch Peak Academy (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and the related notes to the financial statements and have issued our report thereon dated October 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Ogden, Utah
October 23, 2023



***Independent Auditor's Report on Compliance and Report on Internal Control over Compliance
as Required by the State Compliance Audit Guide***

The Board of Directors
Wasatch Peak Academy
North Salt Lake, Utah

Report on Compliance

We have audited Wasatch Peak Academy's (the School) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023, in the following areas:

- Budgetary Compliance
- Fraud Risk Assessment
- Cash Management
- Open and Public Meetings Act
- Internal Control Systems
- Public Education Programs

Opinion on Compliance

In our opinion, the School complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the state requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned to the left of the typed text below it.

Ogden, Utah
October 23, 2023

Wasatch Peak Academy Statement of Activities

Created on January 10, 2024
For Prior Month

Wasatch Peak Academy

	Annual June 30, 2024 Budget	Year-to-Date December 31, 2023 Actual	% of Budget
Net Income			
Income			
Revenue From Local Sources	160,650	117,997	73.4 %
Revenue From State Sources	4,719,240	2,503,657	53.1 %
Revenue From Federal Sources	192,634	57,987	30.1 %
Total Income	5,072,524	2,679,641	52.8 %
Expenses			
Instruction/Salaries	2,438,334	1,017,711	41.7 %
Employee Benefits	619,000	256,995	41.5 %
Purchased Prof & Tech Serv	319,576	201,247	63.0 %
Purchased Property Services	513,000	165,810	32.3 %
Other Purchased Services	87,300	74,997	85.9 %
Supplies & Materials	350,719	188,268	53.7 %
Property	0	160,567	0.0 %
Debt Services & Miscellaneous	373,700	244,004	65.3 %
Total Expenses	4,701,629	2,309,599	49.1 %
Total Net Income	370,895	370,042	99.8 %

Wasatch Peak Academy
Statement of Financial Position
Created on January 10, 2024
For Prior Month

	Period Ending 12/31/2023	Period Ending 12/31/2022
	<u>Actual</u>	<u>Actual</u>
Assets & Other Debits		
Current Assets		
Operating Cash	2,507,276	2,249,024
Accounts Receivables	9,438	31,350
Total Current Assets	<u>2,516,714</u>	<u>2,280,374</u>
Restricted Cash	<u>1,036,726</u>	<u>621,898</u>
Net Assets		
Fixed Assets	5,378,570	4,985,003
Depreciation	(1,330,711)	(1,119,302)
Total Net Assets	<u>4,047,859</u>	<u>3,865,701</u>
Total Assets & Other Debits	<u>7,601,299</u>	<u>6,767,973</u>
Liabilities & Fund Equity		
Current Liabilities	94,147	59,867
Long-Term Liabilities	<u>4,324,496</u>	<u>4,442,798</u>
Fund Balance	<u>2,812,613</u>	<u>1,911,950</u>
Net Income	<u>370,043</u>	<u>353,358</u>
Total Liabilities & Fund Equity	<u>7,601,299</u>	<u>6,767,973</u>

Wasatch Peak Academy Board of Directors Meeting

Date: December 18, 2023

Time: 9:00AM

Anchor Location: 414 N Cutler Drive, North Salt Lake, UT 84054

This meeting of the board of directors was held electronically.

In Attendance: Megan Triplett, Wendy Tibbitts, Jennifer Royall, Brad Wyatt, Emily Willey

Excused: Marlowe Wolferstan, Paul Franzen

Others In Attendance: Amy Pilkington, Krystal Taylor, Alicia Ady



MINUTES

CALL TO ORDER

At 9:03 AM Wendy Tibbitts called the meeting to order.

CONSENT ITEMS

- October 26, 2023, Board Meeting Minutes
Megan Triplett made a motion to approve the October 26, 2023, Board Meeting Minutes. Jennifer Royall seconded. Motion passed unanimously. Votes were as follows: Megan Triplett, Aye; Wendy Tibbitts, Aye; Brad Wyatt, Aye; Jennifer Royall, Aye; Emily Willey, Aye.

VOTING AND DISCUSSION ITEMS

- Electrical Switch Bid
Amy Pilkington discussed the need to approve the Electrical Switch Bid for up to \$50,000. This needs to be approved sooner than later so the building addition can be finished before school starts next year. A lot of the remodel will be held up by this project if it's not completed early on.
Brad Wyatt made a motion to approve the Electrical Switch Bid through the construction company approved by the building expansion committee for up to \$50,000. Jennifer Royall seconded. Motion passed unanimously. Votes were as follows: Megan Triplett, Aye; Wendy Tibbitts, Aye; Brad Wyatt, Aye; Jennifer Royall, Aye; Emily Willey, Aye.

CALENDARING

- Next Board Meeting January 24, 2024

ADJOURN

At 9:14am Brad Wyatt made a motion to adjourn. Wendy Tibbitts seconded. Motion passed unanimously. Votes were as follows: Megan Triplett, Aye; Wendy Tibbitts, Aye; Brad Wyatt, Aye; Jennifer Royall, Aye; Emily Willey, Aye.

A proposed meeting schedule for the year

January 24, 2024
March 2023 (If needed)

(Dates may be subject to change depending on the availability of committee members)

A list of the trust land council members

our LandTRUST Committee members are
WPA School Board

Summary of the 2023-2024 School Plan Final Report

(The plan is available in the front office)

Winter Meeting Agenda

Review current landTRUST spending and plan implementation

Discuss Land Trust Training

Review Parent Compact

Review School Safety and Digital Citizenship

Proposed plan for 2024-2025 School Year

Review School Data

Draft and Review Goals for the Upcoming School Year

Identify ongoing budget priorities

Propose Budget Changes

Vote on fund uses (If necessary)

2023-2024 LandTRUST 2024-2025 Budget Proposal Goals and Budget

Land Trust Budget Proposal

	2022-2023	2023-2024	2024-2025			
Tech Specialist	15,000					
Music Specialist		15,000	15,000			
Student Devices	20,000	20,000	15,000			
Filed Trips	5000	5000	10,000			
Software	1,500	1,500	1,500			
Teacher Grants	5,000	5000	2,500			
Books, Library & Classroom			5,000			
Textbooks		Any Additional/ remaining	Any Additional/ remaining			

Program Goals:

Students will be able to master core math concepts at their appropriate grade level by using consumable math books and online programs.

Students will increase their reading and writing abilities by focusing on keyboarding and reading programs and increasing access to technology resources through weekly practice and technology support provided by teachers.

Science/Engineering, Fine Arts, and Technology content integration is a valuable way for students to connect with the curriculum. The field trips and hands-on learning are three important areas. Our goal is for all K-5 students to experience a fieldtrip or hands on science activity to inspire creativity and innovation while making real-world connections to their curriculum at a deeper level.

Selection and Purchase of Instructional Materials Policy

SB 55 from the last legislative session (which is now codified in Utah Code § 53G-5-404) states that when charter school governing boards select and approve instructional materials for use in the classroom, the board has to go through the following process: (1) post the instructional material online (or, for copyrighted material, make available at the school) to allow for the public and school's educators to review; (2) hold at least two public board meetings where the public and school's educators have an opportunity to make public comment on the instructional materials; and (3) approve the instructional materials in a public board meeting no earlier than the second public board meeting at which public comment on the instructional materials was allowed.

As a result of SB 55, the recommendation is to revise the school's Selection and Purchase of Instructional Materials Policy to clarify that the school's board delegates to the principal/director the authority and responsibility to select and approve instructional materials for the school except under limited circumstances where the board is specifically required by law to approve instructional materials. The revisions provide the process the principal/director must go through to select and approve instructional materials – e.g., must select and approve instructional materials that meet the required criteria, must involve parents in the consideration of instructional materials (which is required by R277-468), etc. The revisions also provide the process the board must go through to select and approve instructional materials – i.e., the posting/two-board meeting/public comment requirement process explained above. Additional revisions to the policy have been recommended to make the policy more consistent with law and USBE rule, including the requirement to include parents in the review of complaints about the school's instructional materials (whether the complaint goes to the board or to the principal/director per the school's grievance policies).

Rescinding Reuse and Disposal of Textbooks Policy

HB 494 from the past legislative session repealed the law (Utah Code § 53G-7-606) that required LEAs to notify all other LEAs before disposing of undamaged textbooks. In light of HB 494, the USBE also recently repealed its rule (R277-433) that required LEAs to follow Utah Code § 53G-7-606 and to have a policy addressing the reuse and disposal of textbooks. As a result, the school no longer needs to follow those requirements and doesn't need to have a policy. So, the recommendation is for the school to rescind its Reuse and Disposal of Textbooks Policy.

Wasatch Peak Academy
Policy: Reuse and Disposal of Textbooks Policy
Adopted: January 26, 2023



Purpose

The purpose of this policy is to help ensure Wasatch Peak Academy (the “School”) disposes of its textbooks properly and in accordance with Utah Code § 53G-7-606 and Utah Administrative Code Rule R277-433.

Definitions

For purposes of this policy, “textbook” has the same meaning as described in Utah Code § 53G-7-601 and R277-433.

Policy

The School shall select and purchase textbooks in accordance with School policy and applicable law. The Director or his/her designee is responsible for determining how long the School will use or reuse its textbooks and when and how the School will dispose of its textbooks.

The School shall not dispose of textbooks without first notifying all other LEAs in the state of the School’s intent to dispose of the textbooks. However, this requirement does not apply to textbooks that have been damaged, mutilated, or worn out.

The Director shall establish administrative procedures regarding the various ways in which the School may dispose of textbooks and how the School may provide the required notification to all other LEAs in the state before disposing of textbooks.

Wasatch Peak Academy
Policy: Selection, Approval, and Purchase of Instructional
Materials Policy
Adopted: March 15, 2023



Purpose

The purpose of this policy is to establish the parameters by which Wasatch Peak Academy (the “School”) will select, approve, and purchase instructional materials.

Policy

The School shall comply with the requirements of Utah law regarding the selection, approval, and purchase of instructional materials, including but not limited to Utah Administrative Code R277-468 and R277-469 and, when applicable, Utah Code § 53G-5-404.

The School’s purpose in managing the selection, approval, and purchase of instructional materials is to implement, enrich, and support the School’s educational program. For purposes of this policy, instructional materials are the resources used by educators to deliver or support student learning. These materials may be commercially available or School-created and include such materials as textbooks, workbooks, digital resources, online courses, and multiple forms of communication media.

Criteria for Instructional Materials

Instructional materials should contribute to the intellectual development and positive character of students. These materials should be:

- (a) in alignment with the School’s educational mission and philosophy and Utah Core standards;
- (b) of high quality, research-based, and proven to be effective in supporting student learning;
- (c) objective and provide balanced viewpoint of issues;
- (d) accurate and factual;
- (e) reflective of the pluralistic character and culture of the American people and accurate in the representation of diverse ethnic groups;
- (f) consistent with the principles of individual freedom as defined in Utah Code § 53G-10-206;
- (g) appropriate to varying levels of learning;
- (h) age appropriate; and
- (i) compatible with School technology systems, of high technical quality, and easy to use.

Board Approved:

Instructional materials should not be “sensitive materials” as that term is defined in Utah Code § 53G-10-103.

Selection and Approval of Instructional Materials by the Director

The Board of Directors (the “Board”) delegates to the School Director the authority and responsibility to select and approve instructional materials for the School, except under circumstances where the Board is specifically required by law to approve instructional materials. The Director shall select and approve instructional materials that meet the criteria set forth in this policy. When considering instructional materials, the Director shall review the Utah State Board of Education recommended instructional materials (RIMs), but the Director is not required to select RIMs if there are other instructional materials available that meet the criteria set forth in this policy.

The Director shall involve parents reflective of the School’s community (those who have a student who attends the School) and instructional staff in the consideration of instructional materials. The Director has discretion as to how to involve such parents and instructional staff in this process.

Selection and Approval of Instructional Materials by the Board

If the Board is required by law to approve instructional materials for use in the classroom, the Board shall do the following (in order) prior to approving the instructional materials:

- (a) post the recommended instructional materials online to allow for public review or, for copyrighted material, make the instructional materials available at the School for public review; and
- (b) hold at least two Board meetings where the recommended instructional materials is on the agenda and allow an opportunity at those Board meetings for School educators and parents of students enrolled in the School to express views and opinions on the recommended instructional material.

The Board may approve the recommended instructional materials in an open and regular Board meeting after the requirements above have been satisfied. The vote to approve the recommended instructional materials may occur at the second of the two Board meetings described in subsection (b) above.

In accordance with Utah Code § 53G-5-404(14), the requirements in this section apply only if the Board is approving instructional materials. The requirements do not apply if the Director is selecting and approving instructional materials (which Utah Code § 53G-5-404(14) refers to as “learning material”), nor do the requirements apply to educators’ selection of supplemental materials or resources.

Board Approved:

Purchase of Instructional Materials

The School shall follow its Purchasing and Disbursement Policy in connection with the purchase of any instructional materials, regardless of whether the instructional materials are selected and approved by the Director or by the Board. The School shall identify all costs associated with instructional materials prior to purchasing the instructional materials, including any implementation and professional development costs.

Educator Selection of Additional Supplemental Materials or Resources

Despite the foregoing, educators at the School may select and use supplemental materials or resources in their classroom to augment instructional materials already selected and approved by the Director or the Board so long as each of the following are satisfied:

- (a) the educator has reviewed the supplemental materials or resources in their entirety prior to using them in the classroom;
- (b) the supplemental materials or resources meet the criteria set forth in this policy; and
- (c) the supplemental materials or resources have not previously been prohibited by the Director or the Board.

Contract Requirements

If the School contracts with a third party to provide online or digital materials, the School shall include in the contract a requirement that the provider give notice to the School any time that the provider makes a material change to the content of the online or digital materials, excluding regular informational updates on current events.

Complaints About Instructional Materials

If a School employee or parent has a complaint about instructional materials, they shall follow the School's applicable grievance policy (i.e., Staff Grievance Policy or Parent Grievance Policy). If a complaint about instructional materials rises to the level of the Director or the Board, the School shall include parents reflective of the School's community (those who have a student who attends the School) in reviewing the complaint. The Director or the Board, as applicable, has discretion as to how to include such parents in this process.

Board Approved: